

IMPORTANT NOTICE – JUNE 8, 2020

Attention Owners at Strata NW2050

7511, 7531, and 7651 Minoru Blvd
Richmond, BC V6Y 1Z3

As of June 2nd, 2020, our Strata Corporation property has no insurance coverage. The Strata Council has been actively and aggressively trying to obtain insurance coverage for over 2 months.

Quick Strata NW2050 Insurance facts:

- A recent estimate appraisal report valued our facilities replacement costs at \$28,827,000 Canadian Dollars. Our buildings were constructed in 1983 and are approximately 38 years old.
- Unfortunately, we had a significant fire damage claim for a fire started on a top floor balcony. Insurance paid out \$593,803.75 for this in 2018. The age of buildings coupled with claims currently makes our Strata Corporation look unfavorable to insurance providers.
- Strata NW2050 has been with Hub insurance for the past 5 years. In 2018 our insurance premium was \$59,629 and in 2019 the insurance premium was \$73,537.
- Our Strata Corporation insurance coverage normally runs from May to April. In April Hub informed us that they would not renew our insurance. They offered a one-month insurance extension for \$11,000, so we could search for an alternative insurer. We paid this extension fee and it has expired with no option for a further extension.
- The government mandates that all strata corporations, regardless of size, must obtain property and liability insurance. Strata owners and renters should also purchase for their needs. Insurance for the strata corporation is not the same as strata homeowner or tenant insurance. The strata corporation's insurance and the landlord's insurance will not cover tenants (renters). Tenants are responsible for damage they may cause to any part of the building or common property in which they or others live. Losses suffered by, or incurred by, tenants or their visitors are not covered by the insurance policies of the strata corporation or the landlord.
- Brokers are reporting condo insurance renewal premiums increasing between 50 and 400 per cent over last year and deductibles increasing from \$25,000 per claim to \$500,000 or more.

<https://vancouversun.com/news/local-news/strata-market-in-crisis-some-b-c-condo-buildings-unable-to-buy-insurance>

Strata Council Actions:

- Our Strata Council has contacted the Condominium Home Owners Association (CHOA) for guidance and referrals.
- Our Strata Council is actively working with Insurance Brokers to find insurance coverage. This has been a very time-consuming process of applying and waiting for answers. Unfortunately, the insurance industry will only let you work with one broker at a time. We are unable to work with multiple brokers at the same time to speed up the process of finding an insurance provider.
- We have been warned that our insurance premium could go up 300%. This would mean being presented with a possible \$230,000 annual premium. BC law states we must have insurance, so we might have to accept. CHOA advised to try to negotiate a lower price by dropping earthquake insurance and possibly flooding due to broken pipes. There is also the possibility to pay monthly installments like ICBC car insurance payments.

Important Actions for Owners:

- We are all now in a very delicate position due to no fault of our own. Strata Corporation insurance renewal issue is a nation-wide problem. If you want to learn more just Google “Strata insurance”.
- PLEASE do not be careless with any in suite water sources, such as sinks, drains and appliances. Keep a close eye out for any water problems anywhere in our buildings. If you see something, report it to our administration office.
- PLEASE do not be careless with anything that could start a fire. Wood burning fire places, stoves, electrically connected devices, etc. Vehicles inside parking are a potential fire source too. Smoking is not permitted on Cypress Point property. CIGARRETTE butts or similar must be always safely extinguished.

We will provide a future update once we have new information.

Sincerely,
Gordon Farrell, President - Cypress Point - Strata NW2050

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5-Year Claim/Loss History Report

Report Date: Jun. 04, 2020

Insured: NW 2050 Cypress Point



Date of Loss:	Status	Current Reserves	Total Paid	Description of Loss:
Jun. 10, 2016	Closed	\$0.00	\$1,368.50	Burst pipe in Unit # [REDACTED] causing water damages to units # [REDACTED] and [REDACTED] **below deductible** Deductible: \$ 10,000.00
Mar. 18, 2017	Closed	\$0.00	\$5,239.67	Sink plugged in unit # [REDACTED] and overflowed-also water damage to [REDACTED] and # [REDACTED] Deductible: \$ 10,000.00
Jan. 25, 2018	Closed	\$0.00	\$593,803.75	Fire to building causing significant damages, started on top floor balcony caused by one of two vents located on the balcony, damaging several units. Deductible: \$ 2,500.00
Aug. 09, 2018	Closed	\$0.00	\$4,576.87	Water damage to Unit # [REDACTED] and hallway caused by a washing machine leak in the unit. Deductible: \$ 10,000.00
Total		\$0.00	\$604,988.79	